Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application. The claims find full support in the specification and/or claims as filed.

Listing of Claims:

1. **(Currently Amended)** A method of dynamically optimizing customer retention for a web marketing site, comprising:

specifying a permissible defunct threshold;

specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation of ~~the~~ various promotions offered to various other customers;

determining a probability that a customer will become defunct after a predetermined period of time has occurred since the last interaction of that customer with the web site; and

providing a promotion selected from the set of promotions to a customer if the probability that the customer will become defunct after the predetermined period of time has occurred since the last interaction of that customer with the web site is greater than the permissible defunct threshold;

wherein the provided promotion is dependent upon an operator's choice of an economic value to maximize.

2. **(Previously Presented)** The method of claim 1, further comprising

maintaining a sample population that includes characteristics associated with customers that have interacted with the web site; and

segmenting the sample population based on a characteristic of the customers sampled.

3. **(Original)** The method of claim 2, wherein the characteristic is an amount that the customers spent at the web site in the past.

4. **(Original)** The method of claim 1, wherein the last interaction includes accessing the web site.

5. **(Original)** The method of claim 1, wherein the last interaction includes making a purchase from the website.

6. **(Original)** The method of claim 1, wherein the selection of provided promotion is based upon maximizing predetermined criteria by optimizing an amount of discount offered in the promotion.

7. **(Original)** The method of claim 6, wherein optimizing is performed continuously.

8. **(Original)** The method of claim 6,

wherein optimizing includes sampling responses received from customers that are offered promotions of varying amounts; and

optimizing the promotion amount provided to other customers based on the optimum promotion amount discovered in the sample.

9. (**Original**) The method of claim 1, wherein data related to whether a customer has interfaced with the web site is stored in the database.

10. (**Original**) The method of claim 1, wherein an amount spent by a customer is stored in a database.

11. (**Original**) The method of claim 9, wherein a customer is segmented for random sampling based on the amount spent by that customer.

12. (**Original**) The method of claim 6, wherein the predetermined criteria is profit.

13. (**Currently Amended**) A program storage device readable by machine, tangibly embodying a program of instructions executable by the machine to perform method steps for dynamically optimizing customer retention for a web marketing site, said method comprising the steps of:

specifying a permissible defunct threshold;

specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation of ~~the~~ various promotions offered to various other customers;

determining a probability that a customer will become defunct after a predetermined period of time has occurred since the last interaction of that customer with the web site; and

providing a promotion selected from the set of promotions to a customer if the probability that the customer will become defunct after the predetermined period of time has occurred since the last interaction of that customer with the web site is greater than the permissible defunct threshold;

wherein the provided promotion is dependent upon an operator's choice of an economic value to maximize.

14. (**Previously Presented**) The method of claim 1 wherein the step of specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation further comprises sampling data to obtain information about current market conditions.

15. (**Previously Presented**) The method of claim 1 wherein the step of providing a promotion selected from the set of promotions comprises proactively offering promotions to customers via email messages.

16. (**Previously Presented**) The method of claim 1 wherein the step of specifying a permissible defunct threshold comprises selecting a defunct threshold so as to minimize the cost of customer retention.

17. (**Previously Presented**) The program storage device of claim 13 wherein the step of specifying a range of offers to be included in a set of promotions wherein the offers include optimal advertisements determined from real time learning from dynamic analyses of promotional experimentation further comprises sampling data to obtain information about current market conditions.

18. (**Previously Presented**) The program storage device of claim 13 wherein the step of providing a promotion selected from the set of promotions comprises proactively offering promotions to customers via email messages.

19. (**Previously Presented**) The program storage device of claim 13 wherein the step of specifying a permissible defunct threshold comprises selecting a defunct threshold so as to minimize the cost of customer retention.

20. (**Previously Presented**) The method of claim 1 wherein the economic value to be maximized is customer retention, profit, revenue, market share, customer satisfaction, customer retention, utilization of manufacturing resources, or utilization of shipping resources.